

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 TRSE-00 AGR-20 CIAE-00 COME-00

INR-11 LAB-06 NSAE-00 RSC-01 SP-03 STR-08 SWF-02

CIEP-03 FRB-03 OMB-01 L-03 H-03 SS-20 NSC-07 TAR-02

CEA-02 SSO-00 NSCE-00 USIE-00 INRE-00 DRC-01 /124 W

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O 112115Z SEP 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 8070

LIMITED OFFICIAL USE BUENOS AIRES 6847

E.O. 11652: N/A

TAGS: ETRD, AR

SUBJECT: COUNTERVAILING DUTIES ON ARGENTINE FOOTWEAR

REF STATE 197600

1. AMBASSADOR CONRADO BECKMANN, UNDERSECRETARY OF FOREIGN AFFAIRS FOR INTERNATIONAL ECONOMIC RELATIONS, ON SEP 11, GAVE EMBOFF DRAFTS OF TWO LETTERS (PREPARED IN MINISTRY OF ECONOMY) WHICH ARE TO BE TRANSMITTED TO AMBASSADOR ORFILA IN WASHINGTON. ONE WILL BE SENT BY ORFILA TO THE SECRETARY OF STATE AND THE OTHER TO THE SECRETARY OF THE TREASURY.

2. THE DRAFT LETTER TO THE SECRETARY OF STATE EXPRESSES SERIOUS CONCERN AT THE POSSIBLE EFFECTS ON US-ARGENTINE COMMERCIAL RELATIONS IF COUNTERVAILING DUTIES WERE TO BE APPLIED AGAINST THE SHOES ARGENTINA EXPORTS TO THE US, WHICH COMPARE TO TOTAL US IMPORTS ARE EXTREMELY SMALL.

3. THE LETTER TO THE SECRETARY OF THE TREASURY EXPRESSES APPRECIATION FOR THE COOPERATION AND UNDERSTANDING SHOWN BY THE USG AND PROPOSES, IN ACCORDANCE WITH THIS SPIRIT, THE FOLLOWING ARRANGEMENT TO ELIMINATE THE POSSIBILITY OF IMPOSITION OF

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COUNTERVAILING DUTIES: A) SINCE IT HAS BEEN CALCULATED THAT THE

PORTION OF THE GOA'S PAYMENTS FOR EXPORTS OF FOOTWEAR ATTRIBUTABLE TO INDIRECT TAXES IS ABOUT 15 PERCENT, THE PRESENT ARGENTINE EXPORT PAYMENTS WOULD BE REDUCED, FROM 30 PERCENT TO 15 PERCENT; AND B) THE GOA WOULD CREAT A DEVELOPMENT FUND FOR THE ENTIRE LEATHER INDUSTRY (NOT JUST THE SHOE INDUSTRY) WHICH COULD BE USED FOR A NUMBER OF PURPOSES SUCH AS R&D, MODERNIZATION OF PLANT AND EQUIPMENT, PARTICIPATION IN FOREIGN TRADE SHOWS, QUALITY AND COST CONTROL IN THE INDUSTRY, MARKET STUDIES IN OVERSEAS MARKETS, ETC.

4. THESE LETTERS WILL PROBABLY BE DELIVERED EARLY NEXT WEEK.
WE WOULD APPRECIATE YOUR PROTECTING THE SOURCE OF THIS INFORMATION.

5. REQUEST TREASURY AND STATE REACTION AS TO WHETHER THIS SOUNDS LIKE A FEASIBLE SOLUTION. DECON 9/11/75.
HILL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOOTWEAR, COUNTERVAILING DUTIES, NEGOTIATIONS, TAXES, DIPLOMATIC COMMUNICATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: kelleyw0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Review Comment: n/a
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Review History: RELEASED <06 SEP 2002 by cunninfx>; APPROVED <03 MAR 2003 by kelleyw0>
Review Markings:

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TAGS: ETRD, AR, US
To: STATE
Type: TE
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